

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

EA-07 FRB-03 INR-07 IO-11 NEA-10 NSAE-00 OPIC-03

SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 OMB-01 INT-05

PA-01 PRS-01 USIA-06 /089 W

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R 231222Z FEB 76

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 582

INFO ALL EC CAPITALS 1722

AMCONGEN DUSSELDORF

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E.O. 11652: N/A

TAGS: EIND, ETRD, EEC

SUBJECT: PROPOSED INTERNATIONAL STEEL FEDERATION

REF: DUSSELDORF 130

1. THE EC COMMISSION IN A PRESS RELEASE ON FEBRUARY 19 ISSUED A WARNING TO THE GERMAN, BELGIAN, DUTCH AND LUXEMBOURG STEEL FIRMS WHO RECENTLY ANNOUNCED THEIR INTENTION TO FORM AN INTERNATIONAL STEEL PRODUCERS ASSOCIATION FOR THE PURPOSES OF (A) REPRESENTING THE MEMBERS' INTERESTS BEFORE THE EC COMMISSION ON POLICY MATTERS AND (B) ENTERING INTO PRODUCTION RATIONALIZATION AGREEMENTS (SEE REFTTEL). THE PRESS RELEASE NOTES THE FIRMS REPRESENT AROUND 45 PERCENT OF EC STEEL PRODUCTION AND STATES THAT ALTHOUGH THE RIGHT OF FIRMS TO CONSTITUTE ASSOCIATIONS IS NOT AFFECTED BY THE PARIS TREATY, SUCH ASSOCIATION MAY NOT EXERCISE ACTIVITIES WHICH WOULD BE INCOMPATIBLE WITH TREATY PRINCIPLES. IT ALSO POINTS OUT THAT WITHOUT PRIOR COMMISSION APPROVAL, ALL ASSOCIATIONS OF ENTERPRISES WHICH TEND TO RESTRAIN OR DISTORT COMPETITION ARE ILLEGAL.

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2. A COMMISSION OFFICIAL TOLD US THAT UNDER PARIS TREATY

ARTICLE 48 FIRMS HAVE THE RIGHT TO FORM ASSOCIATIONS TO REPRESENT THEIR INTERESTS BUT THEY MAY NOT, HOWEVER, ENGAGE IN ACTIVITY CONTRARY TO THE TREATY. ARTICLE 65 OF THE PARIS TREATY (AGREEMENTS AND CONCENTRATIONS) FORBIDS AGREEMENTS IN RESTRAINT OF TRADE UNLESS AUTHORIZED BY THE COMMISSION UNDER ARTICLE 65(2) IF SUCH AGREEMENTS SATISFY CERTAIN CONDITIONS. OUR CONTACT TOLD US THAT THE COMMISSION THOUGHT IT USEFUL TO GIVE A WARNING AS SEVERAL MEMBER STATES HAVE COMPLAINED TO THE COMMISSION ABOUT THE PROPOSED ASSOCIATION, AND THE HIGH PERCENTAGE OF EC STEEL PRODUCTION THAT IS CONTROLLED BY THE PROPOSED ASSOCIATION GIVES THE COMMISSION CONSIDERABLE CONCERN. THE FIRMS HAVE NOT YET PRESENTED THEIR REQUEST TO THE COMMISSION FOR ITS AUTHORIZATION FOR SPECIALIZATION AGREEMENTS. HINTON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**Concepts:** TREATY COMPLIANCE, REGIONAL ORGANIZATIONS, PRESS RELEASES, BUSINESS FIRMS, ESTABLISHMENT OF OFFICES  
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**Copy:** SINGLE  
**Draft Date:** 23 FEB 1976  
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**Disposition Approved on Date:**  
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**Disposition Case Number:** n/a  
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**Disposition Date:** 28 MAY 2004  
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**To:** STATE  
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